

M e m o r a n d u m

To : Honorable Carole Migden, Chairwoman
Honorable Claude Parrish, Vice Chairman
Honorable Bill Leonard, Member, Second District (MIC 78)
Honorable John Chiang, Member, Fourth District
Honorable Steve Westly, State Controller, C/O Ms. Marcy Jo Mandel

Date : November 21, 2003

From : Timothy W. Boyer
Interim Executive Director (MIC 73)

Subject : Implementation of Senate Bill 157
Streamlined Sales Tax Project

Effective January 1, 2004, Senate Bill (SB) 157 (Bowen) adds Chapter 1.5 (commencing with Section 6025) to Part 1 of Division 2 of the Revenue and Taxation Code. SB 157 enacts the "Streamlined Sales Tax Project" to, among other things, create in state government a Board of Governance to represent California in meetings related to the Streamlined Sales and Use Tax Agreement. The Board of Governance will consist of seven members: two members from both the Senate and Assembly, one member each from the Franchise Tax Board and the Board of Equalization, and a member from the Department of Finance.

SB 157 requires that the Board of Governance report quarterly to the Assembly and Senate Revenue and Taxation Committees on its progress in negotiating the agreement and recommend to the committees the state statutes required to be added, amended, or otherwise modified for purposes of substantially complying with the agreement.

Prior to the passage of SB 157, the Board authorized a staff member from the Sales and Use Tax Department to attend the Streamlined Sales Tax Project meetings for the purpose of monitoring the discussions and report back to the Board.

I am now recommending that the Board designate one of its Members to serve as the representative for the Board of Equalization on the Board of Governance pursuant to the provisions of SB 157. I suggest that the designated Board Member serve as the lead for the Board of Equalization on the Board of Governance. In addition, I suggest that the Sales and Use Tax Department staff member who has been attending the Streamlined Sales Tax Project meetings continue to do so, serving as a resource to the designated Board Member.

If you have any questions, please feel free to contact me at (916) 327-4975.

TJB: ls

cc: Mr. Ramon J. Hirsig, Deputy Director, Sales and Use Tax Department